



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3695	Signed by Governor on March 24, 2020
Author:	Calhoon	
Subject:	Motorcycle High Mileage	
Requestor:	House of Representatives	
RFA Analyst(s):	Miller and Griffith	
Impact Date:	November 20, 2020	

Fiscal Impact Summary

This bill will have no expenditure impact on the Department of Revenue (DOR) because DOR can manage any extra costs associated with including a valuation of motorcycles with high mileage in its private passenger valuation manual within its existing appropriations.

This bill will result in an undetermined reduction in property tax revenue for local governments; however, due to the limited number of motorcycles that will qualify for the high mileage valuation within each entity, the revenue reduction is anticipated to be minimal.

Explanation of Fiscal Impact

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State Expenditure

This bill requires the Department of Revenue (DOR) to include appropriate adjustments for high mileage in its published guides for assessed values of vehicles. If this information is not reasonably available from a specific source, the high mileage threshold for motorcycles and motorcycle three-wheel vehicles will be 2/3 of the threshold for other private passenger motor vehicles.

DOR anticipates that the publication of the appropriate adjustments for high mileage for motorcycles and motorcycle three-wheel vehicles can be managed within existing appropriations. Therefore, this bill will have no expenditure impact on DOR.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill will result in a reduction in property tax revenue from those motorcycles and motorcycle three-wheel vehicles that do not currently receive a high mileage adjustment to the assessed value. Revenue and Fiscal Affairs sent a request to all counties to determine the potential revenue reduction due to this bill. The counties of Abbeville, Anderson, Barnwell, and Beaufort, provided a response. All four counties anticipate the reduction of property tax revenue to be minimal. Beaufort estimated as many as 172 motorcycles or motorcycle three wheels will

receive a high mileage adjustment resulting in a potential reduction of revenue of approximately \$4,000, which is a reduction of less than 0.02 percent of the property tax revenue collected on personal property motor vehicles in the county. The remaining three counties also estimated the potential reduction in revenue would be minimal for the high mileage adjustment for motorcycles and motorcycle three-wheel vehicles. Due to the limited number of responses from the counties, our office is unable to determine the reduction in local property tax revenue; however, we anticipate the reduction will be minimal.

A handwritten signature in blue ink, reading "Frank A. Rainwater". The signature is fluid and cursive, with the first name "Frank" and last name "Rainwater" clearly legible.

Frank A. Rainwater, Executive Director